



Summary of H.R. 5175, the DISCLOSE ACT

Title One: Regulation of Certain Political Spending:

- Prevents government contractors with over \$7 million in contract money as well as beneficiaries of the Troubles Assets Relief Program (TARP) from making independent expenditures and electioneering communications.
- Extends existing prohibitions on contributions and expenditures by foreign nationals to include domestic corporations in which foreign nationals own more than 20% of voting shares, make up a majority of the board of directors, and/or have the power to dictate decision-making of the domestic corporation. However, it still permits U.S. citizens employed by U.S. subsidiaries of foreign-held companies to form and make voluntary contributions to separate segregated funds, or PACS.
- Extends coordination rules to ban congressional candidate and organization collaboration on ads referencing a candidate in the time period of 90 days before the primary through the general election and for presidential races 120 days before the primary.
- Exempts political party committee ads or communications from being treating as a contribution to the candidate as long as the communication is not directed or controlled by the candidate.

Title Two: Promoting Effective Disclosure of Campaign Related Activity:

- Expands the definition of independent expenditures to include both express advocacy and the functional equivalent of express advocacy as well as the definition of electioneering communication to include all broadcast ads that refer to a candidate within the period of 30 days before a primary election and 120 days before a general election.
- Imposes a 24 hour reporting requirement for expenditures exceeding \$10,000 made more than 20 days before an election and expenditures exceeding \$1,000 made within 20 days of an election.
- Expands reporting requirements to corporations, labor unions, 527 Organizations, and Section 501(c)(4) and(6) organizations to report all donors who have given \$1,000 or more for electioneering communications or \$600 or more for independent expenditures if within a year the aggregate amount donated exceeds \$10,000.
- Restrictions organizations from using a donation for campaign-related activities if it is specified by the donor that it may not be used for such activities.
- Requires CEO's to certify when making disbursements for campaign-related activity to the FEC that such funds were not in coordination with a candidate and that the spending has been fully disclosed.
- Provides the ability for organizations to set up separate "Campaign-Related Activity" accounts and requires disclosure of non-campaign related donations over \$10,000 when \$10,000 or more is transferred from an organization's general fund to the separate campaign spending account.
- Requires that the highest ranking organization official appear on camera to say that he or she is approving the message on the organization's electioneering communication. In addition organizations must list the top funder of the ad as well as the top five donors of the organization.
- Requires independent expenditures or electioneering communication over \$1,000 be included in lobbying disclosure reports filed by organizations covered under the Lobbying Disclosure Act.

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Title Three: Disclosure of Campaign-Related Activity to Members & Shareholders:

- In order to provide internal organization members and shareholders with information on campaign-related expenditures this Act requires the disclosure of such expenditures on the organization's website as well as included in any periodic or annual financial reports.

Title Four: Effective Date and Other Minor Provisions:

- Enacts judicial review rules requiring that any challenge to this Act be filed in the U.S. District Court for D.C. and any appeals be brought to the U.S. Court of Appeals for D.C. In addition, it requires a copy of the compliant be provided to the Senate and House.
- Establishes an effective date of 30-days after the enactment of the legislation.

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